

## **FISCAL NOTE**

### **HB 2519 - SB 2887**

February 24, 2008

**SUMMARY OF BILL:** Defines “durable medical equipment” within the TennCare program as equipment that can stand repeated use, is primarily and customarily used to serve a medical purpose, generally is not useful to a person in the absence of an illness or injury, and is related to the person’s physical disorder. Establishes that an institution can be considered a patient’s or member’s home if it does not meet the definition of a hospital or skilled facility.

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$358,600**

**Other Fiscal Impact – Increase Federal Expenditures - \$641,400**

Assumptions:

- Currently, the TennCare benefit for durable medical equipment (DME) requires the equipment to be appropriate for and used only in the patient’s home. The provisions of this bill will expand the TennCare benefit to include the use of equipment in any facility which is not a hospital or skilled facility.
- The Bureau of TennCare spends over \$100,000,000 on DME each year. It is estimated that the provisions of this bill will result in a one percent, or \$1,000,000, increase in DME expenditures.
- Of this amount, the state expenditures will increase by \$358,620 at a rate of 35.862 percent and federal expenditures will increase by \$641,380 at a match rate of 64.138 percent.

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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